

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

---

**IN THE MATTER OF:**

**MICHAEL A. CALACE,**  
**a/k/a Michael Anthony**  
**d/b/a SILVER SWORD INTERNATIONAL,**  
**its/his partners, officers and**  
**directors, agents, employees, members**  
**affiliates, successors and assigns.**

)  
)  
)  
) **No 1000261**  
)  
)  
)  
)  
)  
)  
)

---

**NOTICE OF HEARING**

**TO RESPONDENT: Michael A. Calace**  
**d/b/a Silver Sword International**  
**500 North Michigan Av**  
**Suite 300**  
**Chicago, IL 60611**

**And**

**Michael A. Calace**  
**a/k/a Michael Anthony**  
**d/b/a Silver Sword International**  
**World Trade Center**  
**404-999 Canada Place**  
**Vancouver, BC V6C 3E2**  
**Canada**

**And**

**Michael A. Calace**  
**a/k/a Michael Anthony**  
**d/b/a Silver Sword International**  
**9 Rowland Place**  
**Westport, Connecticut 06880**

Notice of Hearing

-2-

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 *et seq.*] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 22nd day of June, 2011 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James Kopecky, or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order should be entered against **Michael A. Calace a/k/a Michael Anthony, doing business as Silver Sword International**, (at times hereinafter "Calace" or "Respondent") which prohibits Calace from offering or selling securities in the State of Illinois, and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

1. Respondent Michael A. Calace has last known addresses of 500 North Michigan Av., Suite 300, Chicago, Illinois 60611, and World Trade Center, 404-999 Canada Place, Vancouver, B.C. V6C 3E2, Canada and 9 Rowland Place, Westport, Connecticut 06880.
2. Between May of 2005 and February 2006, Respondent Calace, while conducting business within the State of Illinois under the name "Silver Sword International" issued and sold two (2) promissory notes (hereinafter "Note 1" and "Note 2") to at least one Illinois resident (hereinafter "Investor").
3. Each of the two Notes was entitled "Silver Sword International Promissory Note Certificate".
4. Note 1, in the amount of \$250,000, was dated July 13, 2005 and provided for 25% interest per annum for a period of 18 months.
5. Note 2, in the amount of \$300,000, was dated February 27, 2006 and provided for 25% interest per annum for a period of 24 months.
6. Calace promised Investor that the funds would be used to produce and promote a motion picture, and there would be no risk to Investor that the invested funds would not be repaid in the time frames described in the Notes.
7. Investor paid Respondent Calace a total of \$ 550,000 (payments of \$250,000 for Note 1, and \$300,000 for Note 2) to purchase the Notes and the payments were placed and accepted into Calace's bank account.

8. The activities described above in paragraphs 2-7 constitute the offer and sale of promissory notes and are therefore securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

### **FRAUD IN SALE OF SECURITIES**

9. Respondent failed to pay Investor any of the principal or interest due on the Notes.
10. Respondent failed and refused to notify Investor of the risk involved in the purchase of the Notes that could result in the loss of the money paid by the Investor.
11. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
12. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
13. By virtue of the foregoing, Respondent violated Sections 12.F and 12.G of the Act and will violate them again if they make further offers, or if they make any sales of Notes or other securities described above in the State of Illinois.
14. Section 11.E(4) of the Act provides, *inter alia*, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at: <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

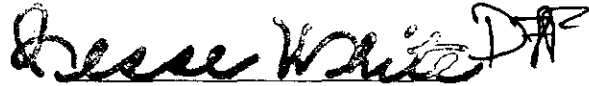
Notice of Hearing

-4-

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 3<sup>d</sup> day of May 2011.

A handwritten signature in black ink, appearing to read "Jesse White" followed by a stylized monogram or set of initials.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

James J. Tierney  
Illinois Securities Department  
69 West Washington Street  
Chicago, Illinois 60602  
312-793-9650